

protect taxpayers from one corporation's sweetheart deal that smells worse by the day. This \$2.5 billion loan to the DM&E should not be allowed take place and taxpayers in Minnesota and across the United States should be outraged at this pork barrel corporate welfare giveaway.

LETTER OF PRESENTATION—MAY 8, 2006

This purpose of this report is to inform Members of Congress, the Department of Transportation, the Federal Railroad Administration ("FRA"), and others of issues surrounding the \$2,500,000,000 loan application of the Dakota Minnesota & Eastern Railroad Corporation ("DM&E") under the Railroad Rehabilitation and Improvement Financing ("RRIF") program.

The broader purpose of the RRIF program is the improvement and expansion of the nation's railroad system. Nevertheless, the program is organized as government loans, not government grants. Therefore, borrowers must exhibit the ability to repay the loan.

In its RRIF loan review capacity, the FRA is charged with responsibility for assessing applications. Each loan application must be approved on its own merits, taking into consideration (among other things) the creditworthiness of the borrower.

DM&E has filed an application for a \$2,500,000,000 FRA loan. Based upon our review, we have serious concerns about the ability of DM&E to repay such a loan. We believe that the applicant may not meet the minimum requirements for the approval of such a loan.

Based on the limited available data, DM&E appears to be an undercapitalized and financially precarious company. However, because DM&E is a private company with little financial disclosure, we are limited in our ability to fully assess the company's financial strength or weakness. As a result, no concerned citizen has adequate information to fully assess DM&E's FRA loan application.

The nondisclosure of the DM&E financial data has been rationalized by the competitive nature of the information contained therein, on the belief that disclosure of even rudimentary financial information would compromise the company's ability to compete in the railroad industry. However, many railroad companies are publicly held, fully disclosing detailed financial information without compromising their competitiveness.

We believe that the primary risk to DM&E of disclosure of its financial status may not be the loss of any competitive advantages, rather the disclosure of its financial weaknesses and unsuitability for the RRIF loan.

Given the available public information concerning DM&E's plans, supplemented with the expertise of consultants in the railroad industry, we have endeavored to construct a reasonable facsimile of what we believe to be DM&E's current economic realities and to forecast the results of the proposed Powder River Basin project assuming extension of the FRA loan.

Our financial projections and assessments utilize dated materials from DM&E's Surface Transportation Board ("STB") application of 1998, as well as more recent information, taking into account the fact that costs, markets, and industry financial conditions have changed materially since that date. We have updated these projections based on the comprehensive knowledge provided by railroad industry consultants, G. W. Fauth & Associates, Inc., and Gerald E. Vaninetti.

If the FRA believes that it should disregard the economics associated with DM&E's proposed project and that non-financial, public policy reasons require approval

of its loan application, then FRA must require collateral in the form of a Credit Risk Premium (CRP). Under current law, this CRP must now be based on DM&E's potential "going concern value." Based on this approach, we have determined that FRA should set a CRP of approximately \$1.4 billion which represents 57% on the loan amount.

To the extent that our information or assumptions are dated or at variance with DM&E's financial statements, internal projections or the contents of its loan application, we welcome the opportunity to review those financial statements.

We note that the DM&E's submissions to the STB were public documents. While the FRA is allowed to keep application data private, it is not required to do so. Like the STB, the FRA could disclose this information to lawyers and independent consultants under a protective order. This is by far the largest FRA loan of its kind, suggesting that the FRA may want to reexamine its non-disclosure policy.

We believe that citizens whose taxpayer dollars may be at risk have the right to inform the FRA of concerns regarding DM&E's \$2,500,000,000 loan application. Only with transparency of the loan application and approval process can the integrity of a fair and honest system be assured.

CONDEMNING THE RECENT ATTACKS AGAINST THE STATE OF ISRAEL

SPEECH OF

HON. MICHAEL H. MICHAUD

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 2006

Mr. MICHAUD. Madam Speaker, I rise today in support of H. Res. 921.

We must fully and clearly condemn the attacks on sovereign, undisputed Israeli territory as the terrorist attacks that they are. The June 25th murders and kidnapping carried out by Hamas are an act of war. The July 12th murders and kidnappings carried out by Hezbollah are an act of war. As a sovereign state, Israel has the right to defend itself and its citizens from these attacks.

Hezbollah must immediately stop its attacks on innocent Israelis. All provisions of United Nations Resolution 1559 calling for the complete withdrawal of all foreign forces from Lebanon and the dismantlement of all independent militias in Lebanon must be fully implemented. Iran and Syria must end their proxy war with Israel at the expense of the Lebanese, Israeli, and Palestinian people.

Israel has the right to defend itself from these most recent criminal attacks, but I believe Israel must show restraint and limit civilian casualties as it struggles to end the threat posed by the terrorist organization Hezbollah—an organization which is responsible for more American deaths in recent decades than any other group except Al Qaeda. The Lebanese government must be able in the future to provide security within its own country and return to the path of peace and mutual security. That is the path of hope.

We all look toward the day when a secure Israel can live in peace with its neighbors, including a sovereign democratic and peaceful Palestinian state. If we are ever going to reach that goal, a goal shared by a majority of the world, then the United States and the inter-

national community must be fully diplomatically engaged in ending the terror and violence suffered in the region. My thoughts and prayers are with the innocent Israelis, Palestinians, Lebanese and foreign nationals who are all in harm's way.

I condemn this new escalation of violence and the terrorist attacks on Israel. I join my colleagues in standing with our ally Israel during this time of struggle. I call on the terrorist groups to release their hostages and turn away from the path of violence. I pray for lasting peace and mutual security and prosperity for all who suffer through this terrible conflict.

FANNIE LOU HAMER, ROSA PARKS, AND CORETTA SCOTT KING VOTING RIGHTS ACT REAUTHORIZATION AND AMENDMENTS ACT OF 2006

SPEECH OF

HON. NYDIA M. VELÁZQUEZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, July 13, 2006

The House in Committee of the Whole House on the State of the Union had under consideration the bill (H.R. 9) to amend the Voting Rights Act of 1965:

Ms. VELÁZQUEZ. Mr. Chairman, I rise today in support of the reauthorization of the provisions of this important civil rights law, the Voting Rights Act. The origins of this law are the truest reflection of our Nation's struggle and aspiration to build a better country for all of its citizens. We have made great advances. This does not mean that we have overcome. We still need to make great strides in our road toward building a more perfect union.

The Voting Rights Act was necessary in the 1960's because for over 100 years, in certain parts of our country, millions of U.S. citizens had their right to vote limited or denied just because of the color of their skin. Those were not our country's proudest years.

Is the Voting Rights Act important today? Yes. The problems in our country that led to the enactment of this law are not in the distant past. Our work is not done. Our country still struggles to find the path of equality and "The Fannie Lou Hamer, Rosa Parks, and Coretta Scott King Voting Rights Act Reauthorization Act" is still needed to keep us on the right and just path in our country's historic democratic experiment.

I celebrate the great accomplishments of the Civil Rights Movement and the political leadership of the time that led to the enactment of the Civil Rights Legislation and the crowning achievement, the Voting Rights Act. The importance of this law can be seen in every election where minorities have the right to elect people that truly stand for their interests; every time someone is able to mark a ballot with instructions in a language that he or she can understand; and every time unfair elections conditions are corrected to be just and fair for all citizens. Mr. Speaker, this law is needed because there are still acts of discrimination taking place. We still need the Voting Rights Act.

Now, I know there are those who believe this is a political party issue. But this is not a Democrat or Republican partisan issue—this is an American issue and this bill has bipartisan support.

I urge you to show your support for protecting the right of all Americans to vote. Vote in favor of this historic reauthorization and vote against all the amendments presented today. The only true aim of these amendments is to weaken this bill and weaken our country's democratic values.

CONDEMNING THE RECENT ATTACKS AGAINST THE STATE OF ISRAEL

SPEECH OF

HON. RUSH D. HOLT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 2006

Mr. HOLT. Madam Speaker, I rise today in strong support of H. Res. 921, which condemns the recent attacks against the State of Israel and supports her right to defend herself. The United States has no closer ally in the Middle East and, at this difficult and troubling time, it is essential that the United States maintain its steadfast commitment to Israel and all her people.

Today, my thoughts and prayers are with Israel, her brave citizens, the captured soldiers, and all the innocent people on both sides of the border with Lebanon and the Gaza Strip. It is important that America supports Israel as she defends herself against the deadly and destructive acts of terrorists. Those who committed these heinous attacks must know that they will not succeed in destroying the State of Israel, nor will they diminish the spirit of the Israeli people.

Each day brings more rocket attacks from Hezbollah that target innocent civilians in northern Israel. These attacks must be stopped, and to do so Israel has the right to go after the Hezbollah terrorists who launch them from southern Lebanon with the assistance of Syria and Iran.

Despite the commitment and good faith efforts made by Israel to build a lasting peace in the Middle East, the terrorist organizations Hamas and Hezbollah engaged in unprovoked attacks on Israel and kidnapped three of her soldiers. Israel withdrew from the Gaza Strip, but Hamas responded with violence. Israel withdrew from southern Lebanon, but Hezbollah responded with terrorism. These terrorist organizations are killing innocent Israelis despite every attempt to demonstrate their genuine commitment to peace.

I hope that this crisis ends soon. In fact, I think it would be beneficial if the United States helped to arrange a cease fire, but Israel will and should maintain control of her own security. The experience of the last weeks reaffirms the right of nations to defend themselves against acts of terrorism, especially by organizations that are part of sovereign governments. But there are other lessons for those who do not live in the Middle East.

First, when there are opportunities to support moderate governments, we must do so. Part of the reason Hezbollah is still in south Lebanon is because it is backed by Iran and Syria, while the government of Lebanon was left without similar strong backing from the international community, including the United States.

Second, we must also remember the fact that extremism incubates in societies ravaged

by poverty, hopelessness and humiliation. We cannot eliminate terrorism simply by suppressing terrorists. We must also lift up the societies and groups upon which terrorists rely for their recruitment.

And third, when confronting terrorists, every effort must be made to protect the civilians around them and prevent destruction to civilian communities. We cannot win the battle of ideas and prevail in the fight against extremism if the people we are trying to lift up are reduced to living in rubble.

Madam Speaker, the bible recounts many miracles performed by God. And miracles seemingly have helped Israel flourish since its independence. As the first Prime Minister David Ben Gurion once said, "in Israel, in order to be a realist you must believe in miracles." I still strongly believe in the dream that has become the wonderful reality of Israel.

I urge my colleagues to support Israel and to support this important resolution.

CONDEMNING THE RECENT ATTACKS AGAINST THE STATE OF ISRAEL

SPEECH OF

HON. SCOTT GARRETT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 2006

Mr. GARRETT of New Jersey. Madam Speaker, I rise today with full and strong support of H. Res. 921 and stand by our good friend Israel. Israel is once again under attack from ruthless regimes residing within the borders of their Arab neighbors.

At this very moment, Israel is engaged in defensive measures against the terrorist organizations Hezbollah and Hamas in response to their recent indefensible actions. These fanatical fringe associations have engaged in kidnapping and murdering Israeli soldiers and have sent over a thousand rockets into civilian Israeli neighborhoods. It is these terrorist groups that threaten peace in the Middle East and security for both Israeli and Arab peace-loving peoples.

The actions taken by Israel are simply an effort to rescue their kidnapped citizens as well as take out as many of the 14,000 Katyusha rockets controlled by Hezbollah and the unknown number of Qassam rockets controlled by Hamas already aimed at Israel. In taking action against Hamas and Hezbollah, Israel is exercising their unquestionable right to self-defense against unprovoked attacks on its sovereign territory by terrorist groups.

Israel exercised great restraint in not responding to the four separate rocket attacks on its people over the past year. Since Israel's handover of Gaza, the terrorists there have used that territory to launch more than 1,000 rocket attacks in the past 6 months alone. They act now because they must.

Hezbollah is not only a significant aggressor and threat to Israel, but has also been a sworn enemy of the United States. Before 9/11, it had killed more Americans than any other terror group. It was in 1983 that Hezbollah killed 257 Americans when they bombed the U.S. Embassy and U.S. Marine barracks in Beirut.

Perhaps the most troubling scenario in all of this is who is actually pulling the strings in

these attacks. Since its inception, Hezbollah has received active support from Iran and Syria, which provide the terrorist group with an estimated \$100 million annually. Iran has also actively helped fund Hamas which has also claimed some responsibility for the kidnappings that precipitated this turmoil. Iran's leaders proudly declare that "Israel should be wiped off the map."

I urge the nations of the Middle East to join with the State of Israel in condemning the horrific actions of these evil terrorists and in promoting real peace and stability for all people of the region.

I wish the Israeli people safety and security and pray for a quick resolution in these troubling times.

STEM CELL RESEARCH ENHANCEMENT ACT OF 2005—VETO MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 109-127)

SPEECH OF

HON. CAROLYN C. KILPATRICK

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, July 19, 2006

Ms. KILPATRICK of Michigan. Mr. Speaker, I rise today to support the veto override of H.R. 810, the Stem Cell Research Enhancement Act. This bipartisan legislation would expand Federal funding for embryonic stem cell research.

The House approved this bill last year and it won U.S. Senate approval yesterday. However, despite the measure passing both Chambers of Congress, the President has vetoed the legislation, the first of his presidency. I am disappointed the President chose this bill to be his first veto.

The American Medical Association and 92 other organizations, including scientists and researchers support H.R. 810. Federal funding would enable further research to examine many new lines of stem cells—increasing the potential for cures. Each year 8,000 to 10,000 embryos created for in-vitro fertilization are destroyed. H.R. 810 would allow federally funded research of stem cells, which scientists believe can yield cures for diseases and injuries, to be harvested from surplus frozen embryos that are stored at fertility clinics and slated for destruction.

Human embryonic stem cells are prized because they can replicate themselves and become almost any type of human tissue. We all know someone who can benefit from the research. Science should prevail over politics.

President Bush's veto is standing in the way of hope and progress in curing many diseases such as diabetes, Parkinson's disease, Alzheimer's disease, Lou Gehrig's disease, some cancers, and spinal cord injuries. This veto has ignored our country's healthcare needs and has slowed the potential to eradicate life threatening and chronic diseases.

The President did not make the right choice. This critical life-saving bill is greatly needed. I urge my colleagues to support the veto override and reaffirm Congress' support of life-saving medical research.